



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

DATE: December 22, 2004
TO: Candidate Committees
FROM: Michigan Department of State, Bureau of Elections
SUBJECT: ANNUAL CAMPAIGN STATEMENT

OUR RECORDS SHOW THAT YOUR COMMITTEE MAY BE REQUIRED TO FILE THE ANNUAL CAMPAIGN STATEMENT DUE ON MONDAY, JANUARY 31, 2005.

Committees Exempt From Filing

A Candidate Committee that does not fall under one of the following exemptions must file the Annual Campaign Statement:

- A Candidate Committee that currently has a Reporting Waiver or qualifies for and obtains a Reporting Waiver on or before January 31, 2005 is not required to file the Annual Campaign Statement. (The Reporting Waiver exemption is discussed in greater detail later in this memo.)
- The Candidate Committee of an officeholder whose salary is less than \$100.00 a month is not required to file the Annual Campaign Statement. **NOTE:** To be eligible for this exemption, the committee must not have received any contributions or made any expenditures during the period of time covered by the Annual Campaign Statement.
- A Candidate Committee that filed a Post-General Campaign Statement during December 2004 is not required to file the 2005 Annual Campaign Statement on January 31, 2005.
- The Candidate Committee of an incumbent judge is not required to file the Annual Campaign Statement.

Please do not hesitate to call the Department of State's Bureau of Elections if you wish to confirm whether your committee must meet, or is exempt from, the Annual Campaign Statement filing requirement. Phone: (517) 373-2540.

Coverage Dates

- The Annual Campaign Statement's opening date is the day after the closing date of the last Campaign Statement filed by the committee.

- The period of time covered by the Annual Campaign Statement closes on December 31, 2004. The Statement must be filed on or before Monday, January 31, 2005.
- If the committee has never filed Campaign Statements, the opening date of the first Campaign Statement filed is the earlier of the following two dates: 1) the committee's formation date or 2) the date the committee accepted its first contribution or made its first expenditure.

Campaign Statement Forms

Forms for filing the 2005 Annual Campaign Statement are available on our Web site at: www.michigan.gov/sos. Forms may also be obtained by contacting Irene Del Rio at the Michigan Department of State's Bureau of Elections. Telephone: (517) 373-8612 Email: delrioi@michigan.gov

- **All committees required to file with the Secretary of State that spend or receive \$20,000.00 or more in a calendar year or expect to spend or receive \$20,000.00 or more in a calendar year are required to file electronically. Information concerning the MERTS Plus software used for filing Campaign Statements electronically is available at: www.mertsplus.com**

Timely, Accurate Campaign Statements Are Required!

- If the committee raised **\$10,000.00 or less** during the previous 2 years, a \$25.00 late filing fee will be assessed each business day the Statement remains unfiled up to a maximum of \$500.00.
- If the committee raised **more than \$10,000.00** during the previous 2 years, the maximum fee that will be assessed is increased to \$1,000.00. The late filing fee will be assessed as follows:
 - (a) \$25.00 for each business day the Statement remains unfiled.
 - (b) An additional \$25.00 for each business day after the first 3 business days the Statement remains unfiled.
 - (c) An additional \$50.00 for each business day after the first 10 business days the Statement remains unfiled.
- A late filing fee assessed for the late submission of an Annual Campaign Statement cannot be paid with committee funds.
- An electronically filed Annual Campaign Statement must be received by the Department of State's Bureau of Elections by 5:00 p.m. on Monday, January 31, 2005.
- An Annual Campaign Statement that is hand-delivered or sent by first class mail must reach this office before 5:00 p.m. on Monday, January 31, 2005. Be sure to allow ample mailing time if sending first class.
- An Annual Campaign Statement that is mailed by registered mail, certified mail or an overnight delivery service and postmarked on or before January 31, 2005 will be accepted as timely regardless of when it arrives. Committees are encouraged to use this method of delivery to avoid late filing fees. If filing on paper, the Campaign Statement must be filed in duplicate (one original and one photocopy).

- Be sure to fill out all forms as accurately as possible. Notices will be sent to the committee if required forms are omitted, names or addresses are missing, figures are incorrect, etc. The committee is then required to file an amendment to correct the error.
- A Campaign Statement will not be accepted if it is illegible, does not bear the proper signatures or is filed in a computer format that has not been approved by the Department of State's Bureau of Elections.

Reporting Waiver Provisions

As stated above, a Candidate Committee is exempt from the Annual Campaign Statement filing requirement if it currently has a Reporting Waiver or qualifies for and obtains a Reporting Waiver on or before January 31, 2005, the due date of the Annual Campaign Statement. A Candidate Committee that does not expect to receive or spend more than \$1,000.00 for any election is eligible for a Reporting Waiver. All candidate contributions, both direct and in-kind, count against this threshold. In-kind contributions received by the committee and debt incurred by the committee must be considered when determining if the committee is eligible for a Reporting Waiver.

- To become eligible for a Reporting Waiver, the Candidate Committee must check item 10 on its Statement of Organization. This tells the filing official that the committee does not expect to receive or spend more than \$1,000.00 for any election. The committee can check item 10 on its original Statement of Organization or on an amendment to its Statement of Organization.
- A Candidate Committee that does not check item 10 on its Statement of Organization is not eligible for a Reporting Waiver. This means that the committee must file Campaign Statements regardless of the amount received or spent during the reporting period.
- A Candidate Committee loses its Reporting Waiver if it receives or spends more than \$1,000.00 for an election. Funds held by the committee after the date of an election count toward the amount received for the next election. In-kind contributions must be added to the total direct contributions and other receipts received by the committee when determining whether or not the committee has lost a Reporting Waiver. If the Reporting Waiver is lost, the committee must file the next Campaign Statement required of the committee.

Dissolution Information

To be eligible for dissolution, a Candidate Committee must have no assets or outstanding debts. An unpaid late filing fee is considered to be a committee debt. An officeholder cannot dissolve his or her Candidate Committee until the candidate is not eligible to seek reelection to that office. For further information on this exception, contact the Department of State, Bureau of Elections. Funds leftover in a Candidate Committee account must be disbursed in the following ways:

- given to a Political Party Committee (state central, congressional district or county);
- given to a tax exempt charitable organization (provided that the candidate does not become an officer or director of the organization or receive compensation, either directly or indirectly, from the organization);
- returned to contributors of the funds;

- given to a House Political Party Caucus Committee (if the Candidate Committee was established by a candidate for the State House);
- given to a Senate Political Party Caucus Committee (if the Candidate Committee was established by a candidate for the State Senate);
- given to an Independent Committee;
- given to a Ballot Question Committee; or
- transferred to another Candidate Committee simultaneously held by the same person if the contribution limits that apply to the Candidate Committee receiving the funds is the same or greater than the contribution limits that apply to the Candidate Committee transferring the funds. (Further information on such fund transfers can be obtained by contacting the Department of State's Bureau of Elections.)

Judicial candidates are advised to contact the Michigan State Bar Association at (517) 372-9030 for additional information on dispersing leftover committee funds.

If a committee does not have a Reporting Waiver, it is dissolved by filing a detailed Campaign Statement with supporting Schedules.

Statement of Organization Amendments Due With Campaign Statements

A committee registered under the Michigan Campaign Finance Act is required to amend its Statement of Organization if any information presented on the form changes. Required amendments to the form must be filed no later than the due date of the next upcoming Campaign Statement required of the committee. Therefore, if your committee is required to file the January 31, 2005 Annual Campaign Statement, we urge you to review your committee's Statement of Organization before you file the Campaign Statement. If any information on the Statement of Organization has changed, be sure to file an appropriate amendment to the form no later than January 31, 2005.

Candidate Committees Using MERTS Plus Software

The following reminders are offered for Candidate Committees that plan to use MERTS Plus software to electronically file the 2005 Annual Campaign Statements. **(For specific instructions for electronic filing, refer to Sections 6.1 - 6.3 of the MERTS Plus Guide.)**

- **A 2005 Annual Campaign Statement** submitted electronically via the Internet must be received by the Department of State, Bureau of Elections, by 5:00 p.m. on January 31, 2005. A 2005 Annual Campaign Statement submitted on a diskette which is sent by certified or registered mail or an overnight delivery service no later than Monday, January 31, 2005 filing deadline, will be considered timely regardless of the date of its receipt.
- **Election Cycles** – Make sure the correct, current election cycle is entered into the Election Cycles Window. If the November 2, 2004 general election marked the end of a candidate's election cycle, a new election cycle must be created in the Election Cycles Window for the candidate's next election (Section 1.4 of the MERTS Plus Guide). The 2005 Annual Campaign Statement requires the creation of the appropriate election cycle for the candidate's next election. For specific dates, refer to the Election Cycle Chart provided by this office.

- **Reporting Periods – The 2005 Annual Campaign Statement reporting period ends on December 31, 2004.** In order for the MERTS Plus software to function properly, December 31, 2004 must be entered as ending date for the period covered by the 2005 Annual Campaign Statement. The 2005 Annual Campaign Statement coverage period begins the day after the last statement filed by the committee ended; the period ends on December 31, 2004. A separate 2005 Annual Campaign Statement report record (with correct coverage period dates and with the correct election cycle selected) must be created in the Reports Window for each Campaign Statement that will be electronically submitted by the committee (Section 1.5 of the MERTS Plus Guide). The 2005 Annual Campaign Statement requires the selection of the appropriate election cycle for the candidate's next election.
- **Amendments to Campaign Statements –** An amended Campaign Statement cannot be filed until an original Campaign Statement has been electronically filed. If more than one amendment to a Statement has been created, each amendment must be electronically submitted in the order it was created.
- **Software questions may be directed to MERTS Plus Tech Support at (703) 749-4642.**

Electronic Filing Became Mandatory For Certain Committees In 2004

Beginning in 2004, each committee required to file with the Secretary of State that received or expended \$20,000.00 or more or expects to receive or spend \$20,000.00 or more in the current calendar is required to file electronically. The Secretary of State offers MERTS Plus campaign finance software to meet this requirement. Committees may apply for MERTS Plus software on line at the MERTS Plus web site: <www.mertsplus.com>

Questions?

If you have any questions, please phone us at (517) 373-2540 or write us at the address below. The address below should also be used to mail your filings by first class mail, registered mail or certified mail.

Michigan Department of State
Bureau of Elections
Post Office Box 20126
Lansing, Michigan 48901-0726

If you would like to visit our office or use an overnight delivery service, the address below is provided.

Michigan Department of State
Bureau of Elections
Treasury Building, 1st Floor
430 W. Allegan Street
Lansing, Michigan 48918